

250.005

G 186

DEPARTMENT OF OVERSEAS TRADE.

REPORT

ON THE

ECONOMIC AND FINANCIAL SITUATION

OF

EGYPT,

Dated March, 1921.

BY

Mr. E. H. MULOCK,

H.M. Commercial Agent, Cairo.



LONDON:

PRINTED AND PUBLISHED BY
HIS MAJESTY'S STATIONERY OFFICE.

To be purchased through any Bookseller or directly from
H.M. STATIONERY OFFICE at the following addresses:
IMPERIAL HOUSE, KINGSWAY, LONDON, W.C.2, and
28, ABINGDON STREET, LONDON, S.W.1.
37, PETER STREET, MANCHESTER;
1, ST. ANDREW'S CRESCENT, CARDIFF;
23, FORTH STREET, EDINBURGH;
or from E. PONSONBY, LTD., 116, GRAFTON STREET, DUBLIN.

1921.

Price 1s. Net.

DEPARTMENT OF OVERSEAS TRADE.

COMMERCIAL REPRESENTATION ABROAD.

In order to foster British overseas trade to the utmost extent, the Department of Overseas Trade has developed and controls the following Services of Commercial Intelligence Officers overseas:

1. The Trade Commissioner and Imperial Trade Correspondent Services in the Empire.
 2. The Commercial Diplomatic Service attached to the British Diplomatic Missions in foreign countries.
 3. The British Consular Service in foreign countries.
1. At the present time there are 14 Trade Commissioners at work. Three are stationed in Canada, at Montreal, Toronto and Winnipeg, respectively; two in South Africa, at Johannesburg and Cape Town; two in Australia, at Melbourne and Sydney; two in India (to cover Ceylon), both at present at Calcutta pending the opening of the Bombay Office; and one each in New Zealand, at Wellington; in the Straits Settlements, at Singapore; in British East Africa, at Nairobi; and in the British West Indies, at Trinidad. A Trade Commissioner is also stationed at headquarters.

The Trade Commissioners in the Dominions have the assistance of Imperial Trade Correspondents at a number of important centres, and the Department also has the services of Correspondents in various parts of the Empire in which at present there is no Trade Commissioner.

2. The Commercial Diplomatic Service consists of some fifty posts in all, and the officers of the Service are stationed in all the more important foreign markets of the world. With the exception of a few officers who, for the time being, hold appointments as "Commercial Commissioners," the members of the Commercial Diplomatic Service are styled "Commercial Counsellors" in the highest grade, and "Commercial Secretaries" in the three lower grades. They are members of the staff of the British Embassy or Legation in which they serve.

The Commercial Diplomatic Officer has general supervision over the commercial work of the Consular Officers in his area, and, with the co-operation of these two Services, a complete network of Government Commercial Representatives is thrown over foreign countries.

The Department is represented in Egypt by Mr. E. H. Mulock, Commercial Agent, The Residency, Cairo.

3. The Consular Service is being re-organised and established on an improved footing. Emphasis is being thrown on the importance of the commercial side of Consular work, and every effort is being made to recruit for the Consular Service, as well as for the Trade Commissioner and Commercial Diplomatic Services, men with the necessary qualifications for the work which they will handle.

4. Members of British firms are urged to call upon the Department's Representative abroad when they visit an overseas country. It is also important that they should make a point of their Representatives abroad keeping in close touch with the Department's officers.

A handbook, giving further details of the above Services, can be obtained on application at the Department of Overseas Trade, 35, Old Queen Street, S.W.1.

NOTE.

It should be understood that the views expressed in annual reports are the views of the officers themselves, and are not necessarily in all respects the views of the Department.

TABLE OF CONTENTS.

	Page.
TABLE OF LOCAL CURRENCY, WEIGHTS AND MEASURES	
I. REVIEW OF THE ECONOMIC AND FINANCIAL SITUATION, WITH SPECIAL REFERENCE TO THE COTTON CRISIS :	
1920 ...	5
Cotton Prices, 1919-1920 ...	8
Exports ...	8
" Pima " Cotton ...	9
Pilion r. Sakellarides ...	9
Restriction of Acreage of 1921-22 Cotton Crop ...	10
Cultivators' Syndicate ...	11
Dangers of Non-ginning of Cotton ...	11
Syndicate's Proposals to the Government ...	12
Government's Measures for Relief ...	14
Pink Boll Worm Regulations ...	15
Supervision and Development ...	15
Decrease in yield of Cotton per feddan ...	15
Motor Tractor Trials ...	16
II. TRADE :	
Imports—	
Foreign Competition ...	19
Cotton Piece Goods ...	20
Iron and Steel Goods ...	21
Coal ...	21
Petroleum ...	22
Wheat ...	22
Tobacco ...	23
Exports—	
Cotton ...	23
Miscellaneous ...	24
Promotion of Trade and Industry—	
Exhibition of Egyptian Industries ...	24
Italian Fair ...	25
Advertising and Commercial Propaganda ...	25
Banking ...	26
III. TRANSPORT :	
Shipping—	
Harbour Works ...	27
Railways ...	28
Motor Transport ...	28
IV. LABOUR AND SOCIAL QUESTIONS—	
Labour... ...	28
Cost of Living—	
Co-operative and Benevolent Societies ...	29
The Rent Problem ...	30
The Housing Question ...	30
APPENDICES—	
I. Cotton Exports during 1918-19 and 1919-20 Seasons, showing countries of destination... ...	31
II. Summary of value of Imports in 1919 and 1920, classified by categories	31
III. Total Imports from Principal Countries in 1919 and 1920 ...	32
IV. German Competition... ...	33
V. Imports from Principal Countries of Wheat, Wheat Flour, and Coal in 1919 and 1920	35
VI. Total Raw Cotton Exports during years 1919 and 1920 ...	35
VII. Summary of value of Exports in 1919 and 1920, classified by categories	36
VIII. Total Exports to Principal Countries in 1919 and 1920 ...	37
IX. List of Principal Articles of Egyptian Manufacture or Origin on view at the Permanent Exhibition of Egyptian Arts and Crafts, Cairo	37
X. Imports of Benzine, Kerosene, and Mazout (Oil Fuel) in 1919 and 1920	38

TABLE OF LOCAL CURRENCY, WEIGHTS AND
MEASURES most in use in Egypt, and their British equivalents.

1 Kilogramme	=	2.226 Rotls or .801 Oke	=	2.205 lbs.
1 Metric Ton	=	22.258 Cantars	=	19.684 cwts.
1 Cantar*	=	100 Rotls	=	99.0493 lbs.
1 Rotl	=	144 Dirhems	=	0.9905 lbs.
1 Oke	=	400 Dirhems	=	2.75137 lbs.
1 Heml	=	200 Okes	=	550.274 lbs.
1 Ardeb†	=	96 Kadahs	=	43.555 gallons or 5.444 bushels.
1 Keila	=	8 Kadahs	=	3.63 gallons.
1 Rob	=	4 Kadahs	=	1.815 gallons.
1 Kadah	=	1.6 Ardeb	=	3.630 pints.
1 Feddan	=	24 Kirats	=	5,024.16 square yards or 1.038 acres.
1 £E.	=	100 Piastres Tariff	=	£stg. 1 Os.6.154d. (at par, i.e., 97.5 PT. to £stg.)
1 Tallari (\$)	=	20 Piastres Tariff	=	4s. 1½d.

* 1 Cantar of unginned cotton = 315 lbs., and of ginned cotton 100 lbs.

† Approximate weight of an "Ardeb" of various seeds :—

Wheat 150 kilos.	Barley 120 kilos.	Lentils 157 kilos (whole).
Beans 155 kilos.	Maize 140 kilos.	," 132 kilos (split).

Weights approx.		
1 Bale of steam pressed cotton	...	7.75 Cantars
1 Bale of cotton p r e s s e d		
hydraulically	...	8.50 ,,
1 Ardeb of cotton seed	...	270 Rotls or 267 lbs.
8½ Ardebs of cotton seed	...	1 ton
3 Bales of steam pressed cotton	...	1 ton 85 lbs.

N.B.—In Egypt liquids are often bought and sold by weight,
and there are no special Arabic liquid measures.

GENERAL REPORT ON THE ECONOMIC AND FINANCIAL SITUATION OF EGYPT.

I.—REVIEW OF THE ECONOMIC AND FINANCIAL SITUATION, WITH SPECIAL REFERENCE TO THE COTTON CRISIS.

1920.—The year 1920 has been a memorable, and in many ways, a phenomenal one in Egypt's economic and commercial history. It has been a year of crises, beginning with one on the Cotton Bourse in March, followed by the commercial crisis dating from April, a wheat crisis, a coal crisis, and finally the present cotton crisis. It has seen not only the rise of cotton futures and spot prices to a high watermark, which will probably remain an unbroken record, but also a sixfold drop therefrom to a figure which is only slightly more than 50 per cent. of the prices prevailing when this record season opened.

It has witnessed a deadlock in the internal movement of imported manufactures simultaneously with wild speculation in cotton and land. It has seen a record cotton acreage, followed by legislative restriction of cultivation to one-third of each cultivator's holding. It has produced a record Budget and Note Issue, and experienced the transformation of the exceptionally favourable trade balance of 1919 into an adverse balance of trade, as the result of foreign trade figures, especially imports, which upset all previous averages and surpass all former records.

It has thus been a year of sensational developments, fluctuations and contrasts, and the factors in the economic situation of Egypt which the vagaries of cotton call forth have changed and are still changing with such bewildering suddenness that an appreciation of the situation that is true at the time of writing, may be entirely falsified by the time these lines are in print.

Thus the prosperity of Egypt's finances in the early part of 1920 has given place to a condition of things which calls for retrenchment and economy on the part of the Egyptian Government in order to meet the deficit which began to manifest itself as the result of the working of the first five months of the financial year,* while the fall in cotton prices, which has been continuous since March, 1920, is reflected in the monthly reduction of the Note Issue from £E.67,300,000 at the end of December, 1919, to £E.37,200,000 at the end of January, 1921, thus adversely affecting the revenue accruing to the Government thereon. This latter figure is below the lowest level attained in 1919, viz., £E.39,900,000 in July of that year, to which it fell from £E.45,500,000 in January, and from which it rose to £E.67,300,000 in December.

* The Egyptian financial year under review is that from 1st April, 1920, to 31st March, 1921.

It should be borne in mind that public finance in Egypt can never be more than a superficial and incomplete index to the wealth of the country so long as the bulk of that wealth remains untapped, for a variety of reasons which are outside the scope of this Report; also that, even if these obstacles to taxation were to be removed an appreciable but indeterminate portion of the country's wealth will always defy taxation, viz., the gold and notes concealed by the fellahs, who distrust banks, in the soil and other hiding places, the secret of whose location is only known to, and sometimes dies with, its owner.

There are, therefore, considerable difficulties in the way of assessing the country's purchasing power, and although record import figures in 1920 are to some extent a gauge thereof, the trade slump dating from April, 1920, through which the country is passing, and which, though primarily the outcome of the world's commercial crisis, has been intensified in Egypt by wild speculation in, and overstocking of, manufactured goods, particularly yarns and textiles—which had since the Armistice commanded high prices and a ready market—would appear to indicate that the purchasing power of Egypt has been over-estimated by those who based their calculations on the income likely to accrue to the country from the record-priced cotton crop of 1919-20, and on a continuation of high prices in the 1920-21 cotton season.

Bankruptcies, especially among importers of cotton piece goods, have been frequent, and the Mixed Courts are choked with law-suits brought against firms and merchants who have refused to take up consignments.

The tendency of the importer during 1920 to keep his goods in the bonded warehouses rather than risk a fall in prices by putting them on the market has hardened the eventual consumer's resolution to hold out for the fall in prices, which he foresaw must come about when merchants realised that they must cut their losses and put their goods on the market at a sacrifice in order to raise money for the repayment of loans from the banks. The latter are in turn suffering the consequences of having, during the boom of high prices and quick profits, advanced money to speculators on a very narrow margin.

The fellahs, who constitute so large a portion of the element of eventual consumers of yarns and cotton piece goods, cannot afford to buy so long as they are embarrassed by the difficulty of paying rents of agricultural lands which are disproportionate to the low price of cotton at present prevailing, regulated as they are to some extent by land values which are really artificial, having soared to fantastic heights during the frenzied speculation in cotton land, arising out of the boom in cotton prices, both spot and futures, which characterised the 1919-20 season. In many cases they have been fixed for 3 years on the basis of cotton at \$150, the results of which, when it stands at only \$30, are obvious.

Cotton Crisis.—The economic problems and distress arising out of the high rents of agricultural lands, the improvidence during 1920 of landowners and cultivators at large, and other factors contributory to the cotton crisis, became so acute that a Committee for the Examination of the Cotton Situation was set up on 27th November, 1920, with a view to the investigation both of the various causes and effects of the prevailing cotton crisis, and of ways and means for relieving and remedying the economic and agricultural evils resulting therefrom. This Committee is still sitting, and the results of its deliberations, which are necessarily of a most comprehensive nature, have not, at the time of writing this Report, yet been made public. The following summing up of the cotton situation is the text of the Government communiqué issued *à propos* of the formation of the Committee appointed to examine it :—

" The price of cotton, which during last season rose to extraordinary heights, has recently suffered a setback which has brought it down to approximately the same level as in 1918. The great rise of last season was due to the wave of extravagance and monetary inflation which swept over the civilised world after the cessation of hostilities. This caused a rise in price in all commodities, and Egyptian cotton, as an article of luxury, benefited by it in an abnormal measure. The general level of prices rose by some 50 per cent. subsequently to the Armistice, while that of Egyptian cotton rose at one time by some 300 per cent.

A general reaction has now taken place. In all countries a check has been set on public and private expenditure, speculation has been arrested, and those who were holding up stocks of goods in the hope of realising higher prices, have been compelled to place them on the market, thus bringing about a fall which is reflected in the prices of nearly all commodities.

Egyptian cotton having benefited by an abnormal rise, has now suffered an abnormal fall. The United States which last season bought more than one-third of the Egyptian crop at very high prices, for motor tyres and other uses, is now only taking insignificant quantities, and this cessation of demand has naturally the most depressing effect on the prices.

Other commodities, however, have suffered in a degree equal to, or even greater than, Egyptian cotton. The prices of many articles have fallen back to below the levels of two years ago; that of American cotton in particular is considerably below them.

It should, therefore, be fully and clearly understood by all those interested in Egyptian cotton that the causes of the fall in price are of an economic and world-wide character, and are, as such, outside the sphere of influence of the producing country.

It should also be remembered that the price still stands at a figure more than double that which prevailed before the war, and leaves a substantial profit over cost of production to the cultivator who works his own land. The cultivator, however, who has rented land on the basis of the high prices of cotton of last season, finds himself faced with a heavy loss, and, in cases where he has no accumulated resources to fall back on, must be reduced to insolvency. If this were to happen on a considerable scale, it would have a most injurious effect on the well-being of the agricultural population.

The Government is taking measures to try and alter the situation, and at the same time urges landowners to forbear exacting the immediate payment of rent in excess of that which the tenant is reasonably able to bear. By thus attenuating the effect of the fall in cotton on the country, they will not only be rendering a service to the community in general, but be taking a course of action the best calculated to further, in the long run, their own interests."

Cotton Prices, 1919-1920.—The abnormal nature of the rise and fall of cotton prices that occurred between the beginning of the 1919-20 season and the end of 1920 is clearly shown by the resulting ruinous margin of difference between futures and the spot prices which eventually prevailed during the months corresponding thereto.

Thus spot prices for Fully Good Fair Sakellarides opened on 5th September, 1919, at \$57·50 and rose by leaps varying from \$6 to \$38 at a time, to \$187 on 14th February, 1920. By 5th March it had dropped to \$137, and although it rose again a week later to \$165, the downward tendency had set in for good and it fell by August 27th to \$124. At this figure it also stood on September 3rd, *i.e.*, at the beginning of the 1920-21 season, but it had dropped to \$31 by December 31st.

As regards futures and spot prices, the highest quotation for November delivery, 1920, was \$145·50 made in the preceding April, while the spot price in November dropped from \$72 to \$38. In August, 1920, quotations for delivery of the current crop in January, 1921, reached \$118·50 whereas spot prices in the latter month varied between \$30·60 and \$35·85.

Cotton Exports.—The primary cause of the drop in prices is, of course, the world's commercial crisis resulting in a lack of demand by the spinners and the absence of the stimulus afforded by the United States which absorbed 276,000 bales (2,067,000 cantars) or nearly a third of the total exports in the 1919-20 season. The figures for exports of raw cotton during the first four months of the current season, *viz.*, from September 1st to December 25th, 1920, as compared with the corresponding period in 1919 are eloquent of the smallness of the demand from British and American spinners. Thus the exports of cotton to the United Kingdom and the United States of America during the

first four months of the 1919-20 season were 1,999,029 and 886,725 cantars respectively out of a total of 3,484,348 cantars, whereas the corresponding figures for the 1920-21 season were only 611,623, 100,946, and 1,147,660 cantars, the first and last of these being less, and the second only slightly more, than the figures applying to the same period in 1918, when the market was practically closed and prices fixed for the whole season by the Cotton Control Commission.

Detailed figures of the exports of cotton during the 1918-19 and 1919-20 seasons will be found in Appendix I, from which it will be seen that America's share of the Egyptian cotton crop rose from one-eighth to one-third, while that of the United Kingdom dropped from two-thirds to one-half out of a total export which increased by nearly 50 per cent.

"Pima" Cotton.—The cultivation in Arizona of "Pima" or American-Egyptian cotton has been so successful that it bids fair to oust Sakellarides, so far as quality is concerned, from its pride of place in the eyes of the American spinner, and, if cultivated on a sufficiently extensive scale, to enable him to dispense with the finest grade of Egyptian cotton, except in so far as he needs it to make up such small remaining balance of his requirements as may be necessitated by slight shortages of the "Pima" crop.

Pilion v. Sakellarides.—In the meantime, the smallness of the demand from the United Kingdom spinners is an equally conspicuous feature of, and important factor in, the present cotton crisis, and one of the many dangers of its undue prolongation is that Egyptian cultivators may come to the conclusion on a large scale that it is not worth their while to grow Sakellarides, which no longer commands much higher prices than other inferior grades of cotton, but that the cultivation of some more prolific variety, such as Pilion (which, according to some authorities, produces 5-6 cantars per feddan, as against 3-3½ of Sakellarides), would be more remunerative, and therefore a far more attractive commercial proposition from their point of view.

Pilion first leapt into prominence in July, 1920, owing firstly to the fear that it might oust Sakellarides because of its more prolific yield and secondly to the danger of its affecting the purity of Sakellarides by admixture or hybridisation, either at the ginneries or, if planted too close together, of the seeds of the two varieties, owing to the similarity in colour. The controversy that raged round the rival merits of these two varieties, as also the protests and appeals made to the Egyptian Government, culminated in the passing of a Law, No. 41 of 26th October, 1920, prohibiting the mingling of any two varieties of either cotton or cotton seed.

The supremacy of Sakellarides for the spinning of the finer counts might well become a matter of indifference to the Egyptian cultivator (who is at liberty to grow

any variety he chooses), if tangible proof of its appreciation by the spinner in the form of brisk demand and an attractive margin of difference in prices were lacking for long. For instance, on 25th February, 1921, the spot prices for Pilion were \$15½-16, as compared with only \$20-20½ for Sakellarides, whereas on 29th October, 1920, the former stood at \$54-55 as against \$73-74 for the latter. It is also significant that previous to the latter date Pilion was never quoted separately at all, but was included under the general heading "Other Varieties." In other words, the remedy for abnormal decreases of acreage, increased cultivation of inferior and more prolific short staple varieties at the expense of Sakellarides, and any other actual and potential developments dictated by the financial aspect of the cotton situation that alarm the spinners, lies in their hands primarily and is afforded by the maintenance and promise of a good demand and prices that will, without being abnormal, furnish the necessary incentive to the grower.

Restriction of Acreage of 1921-22 Cotton Crop.—Under existing circumstances and the abnormal conditions affecting the cotton piece-goods industry, the provision of this remedy is problematical, but it should be borne in mind that, as nearly two-thirds of Egypt's population is directly affected by every phase of the cotton situation and its effects on agriculture generally, the solution of such of her economic problems as arise therefrom must be guided primarily, and sometimes solely, by internal considerations, and that in many cases there is ample justification on economic or agricultural grounds for measures which appear abnormal. A case in point is the restriction of acreage of the 1921-22 crop to one-third of each holding, which was the subject of a Sultanic Decree, dated 7th December, 1920, and which, though resorted to, *inter alia*, as a means of forcing up prices by the reduction of supply and thus constituting one of the measures adopted to relieve and remedy the cotton crisis, is one of the best things, in the long run, that could have happened from the spinner's point of view. An improvement in the quality of Egyptian cotton is far more likely to result from the return to triennial rotation, which this Decree tends to achieve, than from two or more successive years of unrestricted cultivation. In any case, increased acreages do not appear to produce proportionate increases in the crop, if one judges by statistics alone, which show that the average crop per feddan for the seasons 1894-1895 to 1913-1914 was 4·61 cantars over an average area of 1,422,000 feddans, whereas in 1920-1921 a record acreage of 1,827,868 feddans only produced an average of 3·30 cantars per feddan, or a total crop estimated on 21st December, 1920, at 6,035,504 cantars as compared with an average crop for the seasons in question of 6,433,000 cantars.

It should also be borne in mind that an important factor in the determination of cotton acreage is provision, so far as possible from her own resources, for the annual deficit in the supply of

Egypt's cereal requirements. In this connection it is to be regretted that this Decree came too late to admit of the increase in the cereal acreage, which under normal circumstances is the natural concomitant of, and corollary to, a decrease in cotton acreage, and thereby deprived the cultivator of a larger supply of a marketable commodity which would have compensated him to some extent for his losses on the 1920-21 cotton crop.

Cultivators' Syndicate.—In addition to the steps taken by the Egyptian Government to deal with the cotton crisis, viz., by restricting cultivation and appointing the Committee previously referred to, the cultivators themselves have been encouraged by the Government to step into the breach by forming co-operative agricultural societies, but the most ambitious effort so far is an association of wealthy landowners with the title of "Syndicate for the Defence and Protection of Cultivators' Interests," whose immediate object is the holding up of two million cantars of cotton until the price reaches \$60 for Sakellarides, as a remedy for the present cotton crisis. Their general programme consists of :—

- (1) The protection of cotton and other agricultural products in every way, such as the selection of the best qualities of seed; limitation of acreage of cotton, cereals, etc.; improvement of methods of cultivation, and of the breed of ploughing cattle and agricultural animals generally.
- (2) Reduction of expenses incurred in the sale of cotton by entering into contract of sale direct with the cotton mills and thus dispensing with the middleman as much as possible.
- (3) Advances to cultivators on cotton at the rate of not more than 50 per cent. of the market price on the date of application, and facilitation of the disposal of such crops.
- (4) To act as the central syndicate for all agricultural co-operative societies.

Dangers of non-ginning of Cotton.—Whatever may be the merits or demerits of this scheme as a means of dealing with the financial aspect of the cotton situation, its promoters would appear to have ignored one very important agricultural factor which if so much cotton is successfully held up for a long time would in itself stultify the whole scheme by rendering the cotton unmarketable, as a result of the evil effects and dangers cited below, of leaving large quantities of cotton unginned by 30th April. The non-ginning of cotton until after that date makes it a fertile breeding ground of the Pink Boll Worm, which has time to hatch and turn into a moth: it leads to deterioration of cotton and seed: it makes the collection and fumigation of good and sufficient seed for the next crop impossible, or at best a tedious and lengthy process: it decreases and eventually over-taxes the working and storage capacity of ginneries, shoonahs and cotton presses to deal with it in time to accommodate the next crop.

In spite of all this, the Syndicate does not appear to have either made or even contemplated arrangements for the ginning of cotton.

Syndicate's Proposals to the Government.—Viewed in the light of their requests and proposals to the Government, which are quoted and discussed below, it would appear that financial considerations outweigh all others in the minds of the Syndicate, including even the grave risk of wholesale deterioration of their cotton on a scale which would have far reaching effects, not only on the current crop, but also on future crops.

Previous to their appeal to the Government, they had apparently only succeeded in arranging amongst themselves to hold up about one-tenth of the desired two million cantars, and their failure to raise the funds required for advances to cultivators on their cotton and the purchase of the crops of their smaller fellow-members, prompted them to approach the Government with the following proposals :—

- (1) That Government action, with a view to forcing up the price of cotton, should take the form of reduction of the available supply by its purchase of 2 million cantars at £E.7 per cantar, and holding them up.
- (2) That the Government should raise a loan of £E.14 millions for this purpose from the National Bank of Egypt at not more than 4 per cent.
- (3) That the annual interest, amounting to £E.560,000, be met out of the cotton tax of Pt.35 per cantar of ginned cotton.
- (4) That the balance of the sum realised by this tax be set aside as a reserve for agricultural purposes, such as any loss sustained by the Government on this transaction, and future expenditure for the protection of the interests of the cultivators.
- (5) That the money required for this purchase be raised by the issue of Treasury notes as a guarantee to the National Bank of Egypt for the issue of Egyptian banknotes for an equivalent amount.

Their requests to the Government were :—

- (a) That they be authorised to collaborate with the Committee appointed to examine the cotton situation.
- (b) That the export duty of 1 per cent. on cotton be abolished.
- (c) That the law ordering the ginning of all cotton by 30th April each year be temporarily suspended.

As regards (b), the revenue from the 1 per cent. export duty on cotton is necessarily an uncertain quantity, but it will be possible to estimate approximately the amounts realised thereby in 1919 and 1920 from Appendix VI which shows the quantity and value of the exports of raw cotton during those years.

The outstanding supply of unsold cotton, of which the Syndicate proposed to force up the price by Government purchase and holding up of 2 million cantars, amounted on February 25th, 1921, to approximately 3 million cantars, as out of the 6,035,504 cantars at which the total crop has been officially estimated, the arrivals by that date at Alexandria totalled 3,097,986 cantars and the stock 1,777,633, including 398,202 cantars representing stock remaining on 1st September, 1920. In view of the impossibility of ascertaining definitely what proportions of the stock are awaiting purchase and shipment respectively, the net total of cotton actually sold may or may not exceed the total exports up to the date in question, viz., 1,718,555 cantars.

As regards the third proposal of the Syndicate, it is well to point out that the tax of P.T.35 per cantar on ginned cotton, which came into force on 1st August, 1920, was instituted in order to recoup the Government for their estimated losses on the sale, below cost price to the poorer classes, of flour made largely from imported wheat. (Owing to the congestion at the ginning factories, the rule that this tax must be paid before the cotton leaves the factory has been waived, thus enabling cotton owners to remove their cotton to warehouses outside immediately after ginning, thereby also giving them a breathing space before payment of the tax.) Flour had to be purchased on a large scale in order to make good the extraordinary deficit in Egypt's cereal supplies which was foreseen as the result of an abnormal shortage of home-grown wheat consequent on the unrestricted cotton cultivation prompted by the very high prices ruling for cotton at the time when the 1920 crop was being sown. In fact anxiety to plant cotton at all costs reached such extremes that on 4th March, 1920, the Supplies Control Board, which is responsible for the supply and distribution of this flour, had to issue an order prohibiting the uprooting of wheat and other winter crops to make room for cotton. But for this it is probable that the 1920 acreage under cotton of 1,827,868 feddans, which constitutes a record, and is 19 per cent. greater than that of 1919 (viz., 1,537,662 feddans), would have been exceeded. The 1920 acreage under cotton is 24·66 per cent. higher than the average acreage for 1894-1915 of 1,422,000 feddans.

The loss on the purchase and distribution of this flour was estimated at about £E.2,000,000, which would be met by the ginning of 5,720,000 cantars approximately, and as the loss in question has proved to be under-estimated, the extra £E.122,250 accruing from the 1920 crop of 6,035,504 cantars will not come amiss. It is obvious that only a partial collection of the tax will be possible if the holding and non-ginning of cotton on a large scale is successfully carried out.

The chances of the success of the Syndicate's scheme depend, however, apart from the support from the Government, on the ability of its promoters to raise or persuade the banks to advance the necessary funds to prevent the sale of cotton by the tenant farmers, who are being pressed for rent, and by the big land-owners who are being pressed for repayment of loans by the banks. The Syndicate does not appear to have any fixed revenue for this and other purposes, such as directors' salaries; the income realisable from fines, to be imposed at the rate of £E.1 per cantar on adherents who fail in their undertaking to the Syndicate by selling cotton without its authority, is an uncertain quantity, and unless and until its membership, particularly of founders, who pay an admission fee of £E.200 each, and of philanthropic members subscribing £E.100 each, increases considerably, the extent to which it can act as mediator between the cultivator and the banks, in case he requires financial assistance, is problematical.

So long as the Syndicate is composed largely of the big land-owners, the pledge of each member to hold up not less than 10 cantars might, if observed both in the letter and the spirit by a sufficient number of strong holders of cotton, prevent it from dropping below \$15 or \$20 in the probable event of the small holders selling in March whatever the price is. The idea is a good one if it could include arrangements for the punctual ginning and subsequent storage of all cotton affected by it, and otherwise be limited to securing promises (with penalties) to hold up free cotton on which there are no debts; in other words, the small minority of the crop, as the bulk of it is held by tenant farmers who are between the devil of high rents (exacted by landlords, who in many cases are liable for instalments on new land purchases) and the deep sea of low prices.

Further, the holding up of the small portion of the crop indicated would not present the great danger to the success of the scheme as a means of raising prices, viz., that the greater the quantity held up till the end of October, 1921—the limit proposed by them—the larger will be the carry-over of unsold cotton from the 1920-1921 crop, which, added to the 1921-1922 crop, will create a supply far in excess of the spinners' needs and result in the opposite effect on prices to that desired.

Government's Measures for Relief.—On March 4th, 1921, the Council of Ministers decided on the following measures for the relief of the cotton situation :—

1. That in order to assist the small cultivators in particular, the Government has agreed, until further notice, to purchase cotton in lots not exceeding 100 cantars, the same as was done in 1914. The prices of purchase are to be fixed weekly in accordance with the fluctuations of the cotton and cotton-seed markets, but the prices at which purchases could be started now have been fixed at \$23 for Fully Good Fair, Sakellarides, and \$16 for Fully Good Fair Achmouni.

2. Advances on cotton by the National Bank of Egypt. In accordance with an arrangement entered into between the Government and the National Bank of Egypt, the Bank will, until further notice, issue advances on cotton at the rate of \$15 per cantar on Fully Good Fair Sakellarides, \$10 on Fully Good Fair Achmouni, and proportionately on other qualities.

The Bank has agreed to make advances at 7 per cent. interest and $\frac{1}{2}$ per cent. commission, and that in the event of there being a fall in prices, the Bank will not ask for repayment of the advance or for the balance to be covered prior to 1st March, 1922.

3. Advances by the Agricultural Bank of Egypt. Notwithstanding the Five Feddan Law, which will remain in force, the Agricultural Bank of Egypt has agreed, in accordance with an arrangement entered into with the Government, to advance proprietors who own not more than five feddans of land the amounts necessary for cultivation. The Bank, it should be noted, had refrained from issuing similar advances since the promulgation of the Five Feddan Law.

4. The Ginning Law (No. 29 of 1916), which decrees that all cotton shall be ginned before 30th April in each year, will be suspended for the current year.

The arguments for and against the policy, advocated by the Syndicate, of Government purchase and the suspension of the

Ginning Law have already been fully analysed, and it is therefore sufficient at this stage to note the weight of their relevance to the above measures decided upon by the Government.

Pink Boll Worm Regulations.—In connection with the above decisions of the Council of Ministers, the Ministry of Agriculture issued the following notice to the Press :—

By decision of Council of Ministers on March 4th, 1921, Law No. 29 of 1916 " Prescribing measures for the destruction of Pink Boll Worm in cotton seed in ginneries and in stores " was suspended only in as far as concerns the storing of cotton seed and seed cotton between May 1st and August 1st in stores authorised by the Ministry of Agriculture.

The other prescriptions of the law, notably those dealing with the destruction of the Pink Boll Worm in seed in ginneries, are not affected by the decision of March 4th, 1921.

Supervision and Development.—The Syndicate would probably be well advised to leave matters such as those comprising section (1) of their general programme to the technical and advisory staff of the Ministry of Agriculture, and of official bodies such as the Cotton Research Board, which was set up in May, 1919, to enquire into the best methods of safeguarding and developing the cotton industry, and is composed of experts fully qualified to carry out scientific and agricultural experiments for the improvement of the yield and quality of Egyptian cotton.

Laboratories are in course of erection at a cost of £E.25,000, and in the meantime the following experiments are being carried out :—

- (1) The effect on cotton of the sub-soil water level.
- (2) Reduced watering experiments.
- (3) Yield tests of nine varieties of cotton.
- (4) Spacing tests.

This Board and the Ministry of Agriculture at large are sufficiently alive to the menace of competition with Sakellarides that is afforded by American-Egyptian or Pima cotton in the near future, and by the possibility in the not far distant future of Egyptian cotton grown in Mesopotamia, to do all in their power to preserve the purity and special characteristics and increase the yield of the particular variety of cotton for which Egypt is so justly famous, and which has so far successfully maintained its supremacy for the spinning of the finer counts.

The success of American growers with Pima cotton, and the fact that they are now in a position, in spite of the greater cost of labour, to undersell Egyptian cotton, will encourage them to increase the existing area in Arizona, and to do their utmost to raise the strength of fibre to parity with that of Sakellarides, while preserving its superiority over the latter in staple length.

Decrease in Yield of Cotton per feddan.—As regards Mesopotamia, it has been proved, by experiments carried out in 1918 and 1919, that its soil is capable of producing cotton as good as the best Egyptian and better than the best American,

and prolific growths of short-staple cottons. It is, therefore, not beyond the bounds of possibility that the successful cultivation of cotton may one day be carried out on so large a scale in Mesopotamia that both Egypt and America will have to look to their laurels as the largest producers primarily of the best quality long and short-staple cottons respectively. One of the most important matters engaging the serious attention of the Ministry of Agriculture is the disproportion between the decrease in yield per feddan of cotton and the increase of acreage which was continuous during the normal years 1895 to 1914, and to which reference has already been made from the statistical point of view.

It should, however, be pointed out that the remedy for this decreased production is by no means entirely in the hands of the above-mentioned Ministry, as it is attributed in varying degrees to the ravages of the pink boll worm whose total destruction will be a very difficult matter, and to the suspension, owing to the war, of vast, but very necessary, schemes of drainage, irrigation and reclamation. Pending the completion of the latter, it will be impossible to remedy the effects of waterlogging in the Northern and Middle Delta, to increase water supplies, and to add largely to the cultivable acreage of the Northern Delta, which could be increased by nearly a million feddans of new land, much of which would be capable of producing the best kind of cotton.

Motor Tractor Trials.—That the activities of the Ministry of Agriculture are not confined to scientific research and experiments, or to the development of the cotton industry only, is shown by their enterprise in holding Motor Tractor Trials of an international nature during the last four days of December, 1920. The report of the Judges has not yet been made public. American tractors provided 50 per cent. of the 26 entries. The United Kingdom was represented by the Austin, Wallis, Glasgow and Saunderson tractors, and the Crawley Agri-motor. The remaining machines were of French, German, Italian and Austrian manufacture. The soil of the locality where these trials were held, viz., near Benha, is comparatively light, and it will be interesting to see how the various tractors behave on the heavy land near Damanhur, where further trials are to be held in April, 1921.

It is unfortunate that this exhibition of the capabilities of rival motor tractors in the cultivation of Egyptian soil should have coincided with a period when the purchasing power of likely buyers has been reduced to its lowest ebb, but these Tractor Trials had been on the tapis for so long during 1920, that its postponement would have involved considerable financial loss to those manufacturers who showed sufficient enterprise to compete. It must also be remembered that it is only between the months of November and March that Tractor Trials can usefully be held on a large scale in Egypt. At all events purchasers will postpone

judgment on, and choice of, the particular types of tractor that they think will suit them until the concluding trials are over and the Judges' reports on both sets of trials are published.

It is to be hoped that by then the trade slump will have eased somewhat, since, as will be seen below, price rather than quality is the principal consideration in determining purchases of machinery and other goods by native buyers.

II.—TRADE.

The year 1920, with its attendant commercial crisis, has proved very unfortunate for many firms both in the United Kingdom and in Egypt, as owing to (1) the enormous stocks held in the Egyptian bonded warehouses; (2) the present shortage of ready money due to the cotton crisis; (3) the number of small local manufacturers of various classes of goods which sprang into being during the war and are now, naturally, competing with United Kingdom products; and (4) the increase in the number of firms of doubtful character who are the usual aftermath of war, local agents have been unable to place orders for stocks on their hands, thereby causing, in many instances, great delay in payment of consignments from the United Kingdom and a loss of reputation in the eyes of the British exporter.

Small importers, who were in the habit of transacting business, in most cases in a perfectly straightforward way, by means of the C.O.D. parcel system, are now, owing to inability to raise money, refusing to accept such parcels, thereby involving a loss to the United Kingdom exporter and arousing his suspicion of firms in Egypt, as the Postal Authorities are compelled to return parcels which are not claimed within 15 days.

Larger men were refusing to withdraw their consignments of goods from the Customs, in view of the high prices charged by British exporters which will, in most cases, be unable to compete with foreign products if there is any market at all. Complaints in regard to the high prices demanded for cutlery of all kinds and machinery by the British exporters, whose goods are admitted to be the best on the market, are made on every possible occasion, and in the majority of cases it is the cheapest price that is preferred to superior quality of material, sometimes even in the case of Egyptian Government contracts. Large orders for railway material and rolling stock, steel work, dynamos, &c., have thus gone to foreign firms because the British quotations have been too high, added to the fact that the date of guaranteed delivery was not satisfactory.

On the other hand there was a rush of deliveries throughout 1920 of various kinds of goods, particularly cotton piece goods, in the case of the United Kingdom, resulting in such appalling congestion of the Customs sheds, quays and bonded warehouses from April to October that all the available space was soon overflowing, and various buildings in the town, as well as sheds,

evacuated by the military authorities had to be rented or taken over by the bonded warehouses with the permission of the Customs Administration. The latter did what it could to relieve the pressure by holding daily sales at a 30 per cent. reduction, but it was principally due to a steady falling off of imports from August onwards that an improvement became possible at the end of October, after which the congestion became easier, until by February, 1921, it had become a thing of the past.

It will be subsequently seen from the figures of the imports and exports for 1919 and 1920 that the total foreign trade of Egypt amounted to £E.187,348,024 in 1920 as against £E.123,298,038 in 1919, but that a favourable trade balance of £E.28,478,604 in 1919 was converted in 1920 into an adverse trade balance of £E.16,413,902.

IMPORTS.

The figures for the import trade of 1920, of which more detailed statistics will be found in Appendix II, and which reached the record total of £E.101,880,963, as compared with £E.47,409,717 in 1919 (the previous best), are eloquent of the extent to which the Egyptian market has been swamped with manufactured goods of all kinds during 1920, since of the increase over 1919 of £E.54,471,246, about one quarter only is due to increased imports of raw materials, the other three-quarters of it being due to manufactured products, of which yarns and textiles account for 15½ millions alone.

Of the raw materials, the principal increases are in wheat, sugar, timber and coal, while manufactured products and articles show large increases in wheat and maize flour, mazout, manures, cotton piece goods, woollen textiles, silk yarn and textiles, empty sacks, and iron and steel goods.

The share of the British Empire in 1920, which totals £E.48,767,823, on the one hand shows an increase of 76 per cent. over that of 1919, but, on the other, has dropped from over 58 per cent. to under 48 per cent. of the total imports. The share of the United Kingdom alone, viz., £E.37,894,760, has similarly risen by 73 per cent. over 1919, but has fallen from 46 per cent. to 37 per cent. of the total imports. The increase in imports from the United Kingdom is chiefly due to Manchester goods, and iron and steel goods of nearly every kind.

The individual shares of the United Kingdom, the Colonies, and the principal exporting countries in the total imports for the years 1919 and 1920 will be found in Appendix III; from which it will be seen that the total imports from several of Great Britain's competitors have increased in far greater proportions than her own. The competing countries which have contributed the greater part of the total increase are Belgium, Chile, France, Germany, Italy, Russia, Sweden, Switzerland and the United States, imports from Italy having more than doubled; from France nearly, and Switzerland more than, trebled; from Sweden

and the U.S.A. nearly quadrupled; while those from Belgium are nine times, and those from Germany 181 times greater than in 1919.

Foreign Competition.—Germany.—Complete and detailed statistics of the shares of each of the competing countries in each category and the principal sub-divisions of any categories are not yet available, but in view of the enormous increase of imports from Germany in 1920 and the resulting menace of German competition, a comparative table has been compiled showing the values of such imports from Germany in 1919 and 1920 as are given separately in the Customs statistics, and the values of imports from the United Kingdom of the same articles. This table will be found in Appendix IV, from which it will be seen that imports from Germany of small mirrors, table glass, glass jewellery, synthetic indigo, locks and fittings, toys and pianos, were several times larger than those from the United Kingdom.

As in pre-war days, the Germans are pinning their faith to advertising efficiency, a steady flow of propaganda, both printed and verbal, and the excellent quality of their samples. The rate of exchange is so much in their favour as regards competition abroad that they are now in a position to undersell both the United Kingdom and other Allied and Neutral countries in most manufactured articles.

A detailed account of German competition is also given in Appendix IV.

Other Countries.—American motor cars are almost supreme in this market, but many Italian cars find a ready sale here. British motor-cycles and ordinary bicycles are holding their own, despite the complaint that the export prices are high.

The tyre industry is still largely in British hands, since although American "Hood" motor tyres are being sold in large quantities, they are not offered at lower prices than the British makes.

The Austrians are making desperate efforts to recover their pre-war position in the market for tarbouches, but owing to the material used being of inferior quality and to the lack of suitable dyes, they cannot compete with either the better class article of United Kingdom manufacture or the cheap locally made product. Though the native-made tarbouche suffers from the same defects as the Austrian product, it is purchased in large quantities by the fellahs, who can only afford a cheap article, but it has no market with the well-to-do classes, who prefer the British-made tarbouche owing to the good quality of the material used and the fact that the colour does not change with the sun or rain.

Confectionery is manufactured locally (as well as being imported from abroad), e.g., native-made chocolate of fair quality, which is used a great deal for icing on cakes, and candies sold in the bazaars. The latter, however, which are also made by Greeks, are too sweet and sticky to appeal to the European

palate, but command a large and profitable sale in the native quarters. Austrian confectionery is being sold in Egypt in large quantities at very low prices owing to the rate of exchange and cheap cost of sugar. The sweets sold are of a very good class; prices ruling for drops, f.o.b. Vienna, are 1s. 3d. per lb.; for fondants 1s. 6d., and for caramels 1s. 8d. Neapolitan *frutti secchi* (preserved and sugared fruits) enjoy a good sale in Cairo and Alexandria, where there is no competition. However, quantities of boiled sweets and chocolate of a high order, as also biscuits, jam and pickles, are imported from the United Kingdom and enjoy a good sale in Egypt.

Japan has secured a very firm position in the Egyptian market in many articles, including silk goods, cotton hosiery, matches, fancy goods, drugs, cheap toys (which have a ready sale with the fellahs), glass ornaments and chinaware, porcelain and earthenware; otherwise the majority of the fancy goods, toys, ornamental fittings, cheap jewellery, &c., is of Italian, German, Swiss, Austrian or French manufacture.

Italian hose, half-hose, handkerchiefs, shawls, boots and shoes, ladies' veils including "yashmaks," stationery, and office fittings, are being sold at prices far below anything of British manufacture. French millinery is quite supreme in Cairo and Alexandria, where the large French importing houses are largely patronised by Egyptian as well as European ladies.

Czecho-Slovakian cloth (tweeds) is appearing on the Egyptian market at PT. 90 the yard, wholesale, which is considerably cheaper than cloth of United Kingdom manufacture.

Cotton Piece Goods.—Owing to the fact that it is only since 1st July, 1920, that the new Customs tariff by which certain classes of cotton piece goods are dutied according to the weight per square metre has been in force, it is not possible to make comparisons with previous years, but it is of interest to note that Italy is the chief competitor of the United Kingdom in the goods so affected. Grey, bleached, printed, dyed in the piece, and dyed in the yarn cotton piece goods are classified as "light" or "heavy" according as they are made up to, or over, 110 grammes per square metre. The maximum prices for each series of weights, which had been agreed upon between the Customs Administration and the importers, held good until 31st December, 1920, but these were modified on 1st January, 1921, when the revised tariff came into force for three months, at the expiration of which they will be again revised if the fluctuation in the price of the classes of cotton piece goods affected renders revision necessary.

As 84 per cent. of the £E.7 millions, which constitutes the value of cotton piece goods imported under the new tariff, is contributed by the United Kingdom alone, it will be readily understood that the increase in her exports to Egypt is principally attributable to her supremacy in these and the great majority of articles comprised under yarns and textiles, viz.,

cotton, woollen, linen and hemp, in which her principal competitors are respectively Italy, France, and France and Italy; those of silk being imported chiefly from France, Japan and China; and of jute from British India, which was also the largest exporter to Egypt of cotton yarn, grey, bleached and dyed, viz., nearly 50 per cent. of the total value of this article, to which the United Kingdom contributed about a third and Italy about one-sixth.

Iron and Steel Goods.—Second only to yarns and textiles as a contributory factor in the increase of imports from the United Kingdom comes the bulk of the articles included under the heading metals and metalware. The largest proportionate increases are in iron or steel bars and billets; sheets and plates (not galvanised); rails and fittings (including sleepers); works (wholly or partly constructed); wrought iron or steel pipes or fittings; bedsteads (including brass bedsteads); galvanised sheets, in which for the most part Belgium was her principal competitor; stationary internal combustion engines, in which Switzerland was a keen competitor, as also in electrical machinery and parts; machines and parts thereof not otherwise enumerated, of which the U.S.A. also increased her exports to Egypt; motor vehicles and chassis complete, in which the U.S.A., thanks to a tenfold increase in value, and a more than eightfold increase in numbers, took pride of place, as will be seen from the following figures:—

From.	1919.		1920.	
	No.	£E.	No.	£E.
U.S.A....	180	49,739	1,548	495,046
United Kingdom	56	32,897	221	171,763
France	4	1,697	222	161,902
Italy	20	13,183	230	142,346
Other Countries*	35	7,067	113	86,601
Total	295	104,583	2,334	1,057,658

* Including Germany, Belgium, Austria, Holland.

The remaining articles which show a considerable proportionate increase in value of imports from the United Kingdom are iron railway trucks, wagons and carriages; articles made wholly or mainly of steel, not otherwise enumerated; and copper and brass sheets. In the first-named, Belgium, and in the two latter, France, were respectively her principal competitors.

The very large proportionate increase in imports from the United States of America is due chiefly to coal and wheat flour, of which the combined values imported from her total nearly £E. 6½ millions, as will be seen from Appendix V.

Coal.—As regards coal, it is to be regretted that coal strikes in the United Kingdom should have temporarily lost her her foothold in, and command of, the Egyptian market, and that, as the result of the coal crisis in Egypt during 1920, the British

share of coal imports into Egypt should have dropped from nearly 90 per cent. to only 26 per cent. in quantity, and from 80 per cent. to 29 per cent. in value, thereby ceding British supremacy to the U.S.A., whose share amounted to 53 per cent. of the quantity and 59 per cent. of the value of the coal imported into Egypt in 1920. In order to keep the Egyptian State Railways and other public works going, coal had also to be purchased from South Africa, India and even Australia, with the result that there is still a very large stock of non-British coal on hand. But in view of the fact that British coal is preferred to all other because of its superior quality, and that the American coal has been found to contain such a large percentage of slack, it is to be hoped that, by the time the Egyptian Government is ready to replenish its stocks, British coal exporters will be in a position to compete, both in price and quantity offered, with all possible rivals. Recently Cardiff first quality was on offer at 125s. a ton, and inferior at 123s.; Newport at 120s., and North Country at 110s.; whereas American, Indian and Natal were selling at 100s. a ton. Gas coke was then selling at £E.6 per ton, anthracite at 225s., and foundry coke and patent fuel at 220s. and 120s. respectively.

The United Kingdom is, however, still by far the largest supplier of patent fuel and coke, her shares being all but 197 of the 82,142 tons of the former, and all but 633 of the 10,254 tons of the latter, imported during 1920.

Petroleum.—The estimated total production for 1920 of crude petroleum from the Hurgada and Gemsah oil wells, of which there are twenty in operation, is 231,919 metric tons, but as this does not produce sufficient kerosene and mazout for the needs of Egypt, considerable quantities of these commodities have to be imported (*see Appendix X*).

The year 1920 has seen great activity in the oil industry in Egypt, since not only have large extensions been made to the plant of the Anglo-Egyptian Oilfields, Limited, both at their Hurgada and Gemsah wells and at their refinery at Suez, but also operations on a large scale are being carried out by the D'Arcy Exploration Company in the Sinai Peninsula, with, it is said, quite successful results; and, finally, the Egyptian Government are preparing to develop fields on the Red Sea Coast.

Transport of oil is for the most part by means of pipes from the refinery at Suez to special barges of 54, 76 and 162 tons capacity respectively, which in turn supply tank steamers and the tanks at Alexandria. Oil fuel is also transported by the Vacuum Oil Company by barge to the interior.

Wheat.—The acuteness of the wheat crisis in Egypt in 1920, consequent on a record acreage of cotton, is exemplified by the abnormal increase in the quantities of wheat and wheat flour imported in 1920 over those of 1919, as will be seen from

Appendix V. In 1919, 800 tons of wheat and 21,880 tons of wheat flour were sufficient for the deficit in the needs of Egypt, whereas in 1920 wheat to the extent of 98,358 tons as well as 133,123 tons of wheat flour had to be purchased by the Department of Supplies, the former chiefly from Australia and New Zealand, the latter chiefly from the Colonies mentioned and the U.S.A., while Canada and British India, and "Other Countries" contributed the balance. Owing to belated discoveries of hoarded wheat, there is now a considerable stock of wheat and flour available, which will be further swollen by the monthly deliveries as from March, 1921, of wheat and flour ordered from Australia during 1920. In addition, the possibility of a largely increased wheat and cereal acreage in consequence of a reduction of cotton acreage in excess of that decreed in December, 1920, decided on by cultivators who, at the present price of cotton, cannot realise sufficient to repay the cost of cultivation, would have the effect of creating a considerable surplus of wheat which could only be remedied by exportation of Egyptian wheat or re-exportation of Australian wheat, or possibly both.

Tobacco.—The Customs duties on tobacco have again been raised as from 26th February, 1921, by 100 milliemes per kilo over the increase which came into force on 23rd September, 1919. The new duties are as follows:—

As regards countries which have no special arrangement with Egypt:—
620 milliemes per kilo on tobacco in leaf.
720 milliemes per kilo on tobacco prepared in any way, cigarettes, etc., but not cigars.

As regards countries which have a special arrangement, viz., the United Kingdom, Belgium, France, Greece, Italy, and Portugal:—

600 milliemes per kilo on tobacco in leaf.
700 milliemes per kilo on tobacco prepared, etc., but not cigars.

On cigars of whatever origin:—
700 milliemes per kilo.

Drawback on re-exports in the form of cigarettes manufactured from tobacco imported into Egypt:—

400 milliemes per kilo.

EXPORTS.

Cotton.—Exports from Egypt during 1920 totalled £E.85,467,061 in value as against £E.75,888,321 in 1919, the increase being almost entirely due to the enhanced value of the raw cotton exported during 1920, since whereas the total number of cantars exported in 1919 exceeded that of 1920 by 67·5 per cent., the value of cotton exported in 1920 was nearly 15 per cent. higher than that of 1919. It will be clearly seen from Appendix VI that the bulk of the value in 1919 was contributed by the exports in September to December, and in 1920 by those from January to August, since these two periods combined constitute the 1919-20 cotton season, and that whereas 50 per cent. of the total quantity exported in 1919 is covered by the period September to December, the corresponding period of 1920 only accounted

for a little more than a quarter of the total exported during the year.

It will also be seen from Appendix VI that, of the principal countries purchasing Egyptian cotton in 1920, the United Kingdom, Italy and Japan are the only ones which show a decrease in value over 1919, whereas the value of exports to Czechoslovakia, France, Germany, Spain, Switzerland and the United States, has risen in proportions varying from a 50 per cent. to a six-fold increase. The relation between the shares of the United Kingdom and the United States, her nearest rival both in 1919 and 1920, has changed appreciably, since while the United Kingdom's share of the total quantity fell from 56 per cent. to 43 per cent., and of the total value from 52 per cent. to about 41·4 per cent., that of the United States rose from 22 per cent. to 31·7 per cent. of the total quantity, and from 25 per cent. to nearly 35 per cent. of the total value.

Miscellaneous.—Most of the categories into which exports are sub-divided in the Customs statistics show a decrease in 1920 (*see Appendix VII*), while of the principal countries of destination (*see Appendix VIII*) only France, Germany and the United States show considerable proportionate increases. Exports to the United Kingdom and the British Empire as a whole have decreased.

Rice and gum arabic show considerable proportionate decreases, but cottonseed and cottonseed cake, the bulk of which was taken by the United Kingdom, have increased slightly in value, as also onions and eggs, but the value of sugar (refined cane), phosphate and flax (raw), has increased to a considerable extent proportionately to that of 1919.

The bulk of the phosphate exported, viz., 145,000 metric tons in 1920, was taken by Japan, Italy, Australia and New Zealand, and other British possessions in the Far East, in the order named, but it is interesting to note that the greater part of the 13,770 tons of superphosphates imported during 1920 came from Belgium. If, however, it were possible to obtain cheap sulphuric acid, a new Egyptian industry, viz., the manufacture of superphosphates from the phosphate rock deposits in the country, could become an accomplished fact, and would be sure of encouragement and help from the Bureau of Commerce and Industry.

PROMOTION OF TRADE AND INDUSTRY.

Exhibition of Egyptian Industries.—Under the auspices and on the premises of the Bureau of Commerce and Industry a Permanent Exhibition of Egyptian Arts and Crafts was opened on 30th December, 1920, where all the exhibits are of Egyptian origin or manufacture, as the case may be, and are far more numerous and varied than is generally realised. A list of the principal exhibits will be found in Appendix IX. Every article

exhibited bears a ticket showing its origin and the name of the producer or manufacturer, with the current price in the case of all manufactured articles, so that would-be purchasers may be furnished with all the essential facts.

This exhibition forms only one of the many activities of the Bureau of Commerce and Industry, which came into being on 1st April, 1920, as an Egyptian Department of the Ministry of Finance, and which also comprises an extensive trade catalogue library, and is compiling a register of all trades and traders. The functions of the Bureau are primarily to foster, encourage, and improve Egyptian trade and industry, to find new markets for Egyptian raw materials and manufactures, and to establish new industries in Egypt.

Italian Fair.—On May 16th next, a floating Italian Sample Fair on board a large yacht, which is touring the Levant ports, is to visit Alexandria and remain five days. It was originally intended to have an exhibition on land to last for some months, but the scheme fell through.

It is to be regretted that the efforts of the British Chamber of Commerce to hold a trade exhibition and create a permanent sample room of British goods should so far have met with failure owing to lack of support from the United Kingdom. There is no gainsaying the value, from the point of view of advertisement and commercial propaganda, of enabling native and European buyers, particularly the former, to see the actual article with their own eyes, instead of being left to form vague and often erroneous impressions about it from a catalogue, which may not even be in a language they understand.

Advertising and Commercial Propaganda.—Failing a trade exhibition, there is a good deal to be said for advertisement in the Press and elsewhere, and for commercial propaganda by films as well as the more ordinary media such as trade journals distributed gratis, articles in the local European and native Press, monthly or quarterly booklets, &c.

Advertising is done extensively by means of drop-curtains at theatres and cinema houses, and of programmes, &c., and it is to be regretted that very little advertisement is done in this way by United Kingdom firms, in view of the extent to which it is used by German, French, Italian and Greek firms.

The cinematograph appeals to all nationalities and is very popular with the natives, and it is to be hoped that United Kingdom manufacturers will make the most of the medium now employed by one enterprising local firm of advertising their goods, viz., short and amusing films thrown on the screen during the half-time interval or between two long films.

One of the most useful forms of general advertising consists of a table compiled by the Cairo representative of a United Kingdom Association for use in connection with the Customs tariff, according to which all classes of cotton piece goods

are dutied according to the weight per square metre. This table has been approved by the Customs Administration and is in daily use by them, as well as being used by other Egyptian Government Departments and throughout the piece goods trade in Egypt and the Sudan.

German agents are again opening an extensive advertising campaign in both the European and native Press for practically all their pre-war products, the prices quoted being comparatively low. A German trade journal, published in Berlin and printed in French and Italian, is circulated freely among European and native business houses in Egypt. Its object, which is to resuscitate German trade with Egypt, appears to be meeting with some measure of success. According to the language in which it is printed, it is entitled *Revue d'Exportation et Importation* or *Revista d'Exportazione ed Importazione*.

The Italians are also making a special effort to capture much of the trade formerly in British hands by open advertisement, and by means of well organised propaganda.

BANKING.

Among new financial enterprises during 1920 should be mentioned the Commercial Bank of Egypt, which was sanctioned by a Sultanic Decree dated 1st September. It is an Anglo-French Bank, the majority of the shares being in French hands.

The amalgamation of the Anglo-Egyptian Bank with Barclays Bank has proved of interest to financial circles in Egypt.

The formation of the *Banque Misr* was authorised by a Sultanic Decree dated 3rd April, 1920, with a capital of only £E.80,000, made up of £E.4 shares. It was decided later to increase the capital by £E.1,920,000 by the issue of 480,000 new shares, and a first issue of 105,000 closed on 5th December, 1920. In view of the break in cotton prices and the general tightness of money it seems improbable that this first issue of fresh shares will be taken up to any appreciable extent, as subscribers can only be of Egyptian nationality.

III.—TRANSPORT.

SHIPPING.

With the exception of infrequent sailings of the Prince Line, the carrying trade between European and Levant ports would appear to be almost entirely in foreign hands, and the action of the British Shipping Companies, which form the Combine for the cotton-carrying contract, in raising difficulties as to the carrying of cargo other than cotton and to United Kingdom ports other than Liverpool, is to be regretted, in that it tends to throw would-be exporters of Egyptian produce to Great Britain into the arms of foreign shipowners, thus diverting both freights and cargo from British hands.

The Combine referred to is, however, to be congratulated on having successfully withstood the bold bid made by the American Shipping Board for the cotton-carrying contract during the 1920-21 season, and it is to be hoped that in the coming and future seasons the British Liner Combine will continue to enjoy this supremacy.

Most of the steamers of this Combine have accommodation for a handful of passengers, but the total number of berths thus available is utterly inadequate to deal with the congestion of British residents in Egypt who are anxious to spend the summer in the United Kingdom. It is suggested that British Steamship Companies might profitably study the question of providing British people, desirous of travelling between Egypt and the United Kingdom, with a regular service of passenger steamers which would not, as is the case with British liners plying between India, Burmah, Australia, etc., and the United Kingdom, be booked up, before they sailed in either direction, with Anglo-Indian passengers and others bound from or to places east of Suez. During 1920, when the problem of passenger accommodation, both homeward and outward, between Egypt and the United Kingdom proved so acute, for the reasons given above, British residents in this country were obliged in most cases to travel both ways via Trieste or Marseilles by Italian or French boats, which reaped a rich harvest of passenger fares.

The 1920-21 tourist season, the first since the war, has induced the Cunard and White Star Lines to put on special services to cater for it; and if, when the American influx begins to return, these boats call at some United Kingdom port en route, they will leave Egypt with much fuller passenger lists than they brought with them and thus relieve to some extent the difficulties of the homeward bound British resident.

As regards carrying of cargo between the United States and Egypt, the United American Lines Incorporated, of 139, Broadway, New York, are running direct freight services between that port and all North African and Levant ports, and are carrying considerable cargoes to and from Egypt.

Harbour Works.—Proposals are being put forward for the dredging of the Great Pass at Alexandria to a depth of 45 feet, in connection with the proposed scheme for the construction of new docks and berths alongside which the depth of water is to be 40 feet, and which will be able to accommodate vessels 1,000 feet long. The present berths can accommodate vessels of this length, but the depth of water alongside cannot be increased beyond the 32 feet which constitutes the maximum at the quays, piers, and wharves, and limits maximum draught of laden vesels to 31 feet. The estimated cost of the scheme for the construction of new berths is £E.1,400,000; and it is one which will be heartily welcomed by the shipping world.

RAILWAYS.

The Egyptian State railways have not been in a position to carry out much in the way of extensions of their system owing to the very bad state their lines are in as the result of war conditions, which has necessitated repair at great expense both in material and labour. Extensive repairs have also been found necessary to ensure the continual services on the main lines, and large numbers of locomotives and trucks have been for some time in the repair shops. The failure of American contractors to deliver trucks and locomotives within the time stipulated has done much to add to the difficulties of the State Railways Administration, but in spite of other hindrances to progress in the shape of high prices of stores, permanent way materials, bridges and rolling stock, together with the increased cost of labour, it is making successful efforts to cope with the present congestion of goods and passengers. It is of interest to add that experts have arrived from England for the purpose of improving the signalling system and other features of importance.

The insistence of the Suez Canal Company on the removal of the temporary railway bridge across the canal at El Hirsch has had the effect of delaying railway communication with Palestine, as a change has now to be made at Kantara West Station for the through train to Jerusalem at Kantara East. Through booking of passengers and goods continues as before.

MOTOR TRANSPORT.

Motor traffic appears to be as active as during the war, and many of the ex-army lorries which have been purchased by firms and individuals from the Disposals Board are appearing on the roads both between and in the large towns. A proposal has been made to inaugurate a system of motor buses, both urban and inter-urban, to relieve the congestion of tramways and railways, and it is the opinion of many well-informed people that such an enterprise, if sufficiently well supported financially, would prove a great success in Cairo and Alexandria at any rate. So far as inter-urban communication is concerned the state of the main roads in winter might prove a well-nigh insurmountable obstacle.

IV.—LABOUR AND SOCIAL QUESTIONS.

LABOUR.

As in 1919, strikes have been frequent in 1920, and while a certain number have been due to economic causes, many have arisen out of purely individual questions, such as the dismissal of one or more employees or workmen. These strikes have affected tramway men; operatives of various factories, particularly cigarette-makers; shop assistants; clerks; printers;

tailors' assistants; Suez Canal Company's employees, &c. However, it is satisfactory to note that the Labour Conciliation Board which was set up by Sultanic Decree dated 18th August, 1919, has continued to render signal service to both employers and employed by settling strikes, and averting others, with greater despatch than would otherwise be possible.

The latest and most important development in the history of labour in Egypt has been the meeting on 27th February, 1921, at Alexandria, attended by delegates of 20 trade unions, who signified their intention of joining and forming a General Federation of Labour, while promises to join were received in writing from two more unions whose delegates could not be present. It remains to be seen whether racial and linguistic differences will prove an obstacle to the solidarity and harmonious working of this Federation, whose affiliated unions consist in some cases purely of natives, in others of Europeans of various nationalities, and in the case of the remainder of a mixture of both.

It is important in the above connection to note that Law No. 2 of 31st January, 1921, prohibits the assignment to a syndicate, association, or any other trade union, of the amounts due to workers, servants, clerks or employees as wages, salaries or remuneration, whether such assignment be in whole or in part, direct or through an intermediary, or takes the form of a warrant for the collection of such wages and salaries.

COST OF LIVING.

In spite of the continual fall in cotton prices since March, 1920, the prices of the principal articles of food and household use rose steadily until the Retail Index Number reached its zenith in November, viz., 300; since when prices have fallen.

Co-operative and Benevolent Societies.—The abnormal rise in the cost of living during 1920 brought into being no less than 64 benevolent societies formed in the provinces by and for the natives of the country, of which 47 have since developed into co-operative societies. Both kinds deal in foodstuffs, all household commodities, and clothing, but whereas the co-operative societies are intended to be permanent, the benevolent societies will dissolve when the cost of living falls to, and remains at, normal rates. The capital of the co-operative societies stands at £E.145,055, and their total membership at 60,499, their profits being devoted to running expenses, bonuses on members' shares, and the cheapening of such articles as cannot otherwise be sold except at a loss. The benevolent societies, on the other hand, devote any profits made to charity, so that subscribers of capital cannot expect more than the repayment of their respective subscriptions. These societies have received monthly supplies, mostly of foodstuffs, from the Department of Supplies which was formed in March, 1920, out of the Supplies Control Board with full powers to control all commodities, including their supply and distribution, to

watch the interests of co-operative societies, to compile necessary statistics, to issue import and export licences, and prohibit, when necessary, the import or export, as the case may be, of any foodstuffs.

The Rent Problem.—The rent problem affecting both dwelling-houses and business premises became so acute, in sympathy with high prices both for cotton and the cost of living generally, that, as the result of representations to the Egyptian Government by Tenants' Unions, and latterly of the deliberations of a Rent Commission formed *ad hoc*, two Rent Laws have been passed, the first affecting dwelling-houses only, on 22nd February, 1920, and the second affecting business premises as well, and modifying some of the provisions of the first law governing dwelling-houses, on 22nd February, 1921. The general underlying principle of both laws is that rents may not be increased more than a fixed percentage above the level of July, 1914, and that landlords may no longer evict tenants for no other reason than to secure others who are prepared to pay a higher rent.

It should be noted that neither of these Rent Laws applies to hotels and pensions, which have raised their prices 30 to 50 per cent. above the level of 1919 and maintain them there in spite of a general decrease in the price of foodstuffs.

The Housing Question.—Meanwhile the shortage of accommodation for both domestic and business purposes is as acute as ever, and although an all-round decrease in the cost of building materials has led to a commencement of construction, this consists chiefly of villas and business premises erected by individuals and firms who are wealthy enough to overcome the shortage of accommodation by building for themselves. However, as regards the accommodation of its own officials, the Egyptian Government has made a good, though small, beginning by securing 600 houses for them under the Heliopolis Housing Scheme, which is in the hands of a Belgian Syndicate; the Cairo Electric Railways, and the Heliopolis Oasis Company.

It is to be hoped that the expectation of a further drop in the price of building materials will, if realised, give a fillip to house-building on a scale which will substantially ease the existing congestion.

APPENDIX I.

EXPORTS OF COTTON DURING 1918-1919 AND 1919-1920 COTTON SEASONS,
CLASSIFIED BY COUNTRIES OF DESTINATION.

To.		From September 1st, 1918, to August 30th, 1919.*		From 1st September, 1919, to 28th August, 1920.		Increase (+) or Decrease. (-)
Bales.	Cantars.	Bales.	Cantars.	Cantars.		
America ...	75,590	555,812	276,634	2,067,254	+ 1,511,442	
Austria ...	—	—	1,426	10,318	+ 10,318	
Belgium ...	—	—	2,528	18,555	+ 18,555	
France ...	49,785	365,797	55,306	434,948	+ 69,151	
Germany ...	—	—	6,531	47,832	+ 47,832	
Greece ...	2,594	18,624	714	4,663	- 13,961	
Holland ...	—	—	2,310	16,499	+ 16,499	
India ...	—	—	—	—	—	
Italy ...	33,796	246,643	38,885	290,563	+ 43,940	
Japan ...	16,752	120,499	16,368	121,453	+ 954	
Portugal ...	250	1,786	845	5,862	+ 4,076	
Roumania ...	—	—	55	405	+ 405	
Russia ...	—	—	—	—	—	
Spain ...	9,296	68,347	10,089	75,071	+ 6,724	
Switzerland ...	20,601	152,786	12,715	95,652	- 57,134	
Turkey ...	29	245	197	846	+ 601	
United Kingdom ...	389,105	2,858,973	417,293	3,150,493	+ 291,520	
Other Countries ...	—	—	429	3,160	+ 3,160	
Total ...	598,798	4,389,512	842,325	6,343,594	+ 1,954,082	

* Note.—Market practically closed and prices fixed by Cotton Control Commission till 31st July, 1919.

APPENDIX II.

SUMMARY OF VALUE OF IMPORTS 1919 AND 1920, CLASSIFIED BY CATEGORIES.

Category.	1919.	1920.	Increase.
	£E	£E	£E
i. Animals and animal food products	1,704,098	2,080,793	376,695
ii. Hides, skins and leather goods ...	762,116	1,602,519	840,403
iii. Other animal products	49,118	60,657	11,539
iv. Cereals, flour and agricultural produce.	2,263,042	13,285,218	11,022,176
v. Colonial produce and general grocery.	1,803,070	4,849,125	3,046,055
vi. Spirits, beverages and oils ...	4,251,340	5,947,634	1,696,294
vii. Paper and printed matter ...	1,270,824	2,150,094	879,270
viii. Wood and coal	3,912,109	11,993,427	8,081,318
ix. Stone, earthenware and glassware	553,151	1,933,695	1,380,544
x. Dyestuffs, tanstuffs and colours ...	690,782	883,570	192,788
xi. Chemical and medicinal products and perfumery.	3,353,972	5,531,302	2,177,330
xii. Yarns and textiles	18,845,787	34,441,258	15,595,471
xiii. Metals and metalware	3,742,412	11,842,261	8,099,849
xiv. Miscellaneous	1,137,152	2,094,412	957,260
Total of merchandise imported	44,338,973	98,695,965	54,356,992
Total of tobacco	3,070,744	3,184,998	114,254
Total of imports	47,409,717	101,880,963	54,471,246

APPENDIX III.

VALUE OF IMPORTS FROM PRINCIPAL COUNTRIES, 1919 AND 1920.

	1919.	1920.	Increase (+) or Decrease (-).
United Kingdom	£E. 21,840,957	£E. 37,894,760	£E. + 16,053,803
British Mediterranean Possessions ...	435,572	483,810	+ 48,238
British India	2,347,965	3,338,709	+ 990,744
Australia and New Zealand	1,848,623	4,900,722	+ 3,052,099
Canada	33,520	244,952	+ 211,432
Other British Possessions in Far East	598,510	582,200	- 16,310
British Possessions in Africa ...	502,142	1,322,670	+ 820,528
British Empire Total ...	27,607,289	48,767,823	+21,160,534
Austria	4,840	310,090	+ 305,250
Belgium	202,710	1,927,150	+ 1,724,440
Chile	1,098,055	2,057,266	+ 959,211
Czecho-Slovakia	375	262,252	+ 261,877
Finland	3,441	296,312	+ 292,871
France	2,390,540	6,104,865	+ 3,714,325
French Mediterranean Possessions ...	57,325	189,720	+ 132,395
Germany	6,527	1,186,121	+ 1,179,594
Greece	1,893,105	2,085,531	+ 192,426
Holland	186,185	649,923	+ 463,738
Italy	2,512,028	5,705,020	+ 3,192,992
Japan	1,729,164	2,264,051	+ 534,887
Mexico	30,197	348,250	+ 318,053
Palestine	744,902	784,125	+ 39,223
Roumania	130	526,749	+ 526,619
Russia	25,690	871,754	+ 846,064
Serbia	4,464	449,709	+ 445,245
Sweden	443,118	1,639,665	+ 1,196,547
Switzerland	455,307	1,549,646	+ 1,094,339
Syria	367,841	722,524	+ 354,683
Turkey	631,910	1,174,742	+ 542,832
U.S.A.	2,889,749	10,751,055	+ 7,861,306
Other Countries	4,124,825	11,256,620	+ 7,131,795
Total Imports	47,409,717	101,880,963	+54,471,246

APPENDIX IV.

GERMAN COMPETITION (1919 AND 1920).

Article Imported.	Germany.		United Kingdom.	
	1919.	1920.	1919.	1920.
Beer, stout, ale (in bottles) ...	£E. 280	£E. 60,050	£E. 111,646	£E. 97,627
Chinaware, porcelain and earthenware.	751	48,482	34,135	65,765
Small mirrors	—	2,836	786	846
Lamp chimneys	—	21,050	362	255
Glass (table)	104	20,126	6,169	6,317
Glass bracelets, beads (imitation precious stones), &c.	—	12,770	165	1,007
Synthetic indigo	355	83,178	25,191	20,314
Coal tar dyes	2,129	15,451	12,618	16,966
Ink, copying and writing	—	1,208	5,952	9,768
Medicinal preparations	307	11,218	150,413	175,058
Cutlery and tableware	20	35,328	24,518	45,896
Locks and fittings	—	48,740	5,865	17,286
Toys	181	47,346	7,837	12,847
Stationer's sundries	14	8,718	28,821	58,510
Buttons of all kinds	—	6,691	6,220	13,347
Combs of all kinds	—	2,555	1,964	7,165
Pianos	—	27,069	1,202	3,037
Scientific and surgical instruments	155	8,841	37,128	70,358
Electric batteries and various electrical appliances.	—	317	3,001	7,624
Tobacco and cigars	8	3	81,612	157,971
Total Imports	6,527	1,186,121	21,840,957	37,894,760

DETAILED ACCOUNT OF GERMAN COMPETITION.

German stationery is being sold at many Italian and Greek shops at very low prices, and the material appears to be of a good class. For five sheets of notepaper and five envelopes only 5 milliemes or 1½d. is charged.

German glassware and chinaware imports increased very greatly during the latter months of 1920; cutlery of a cheap order is also being imported in large quantities, as well as table services of every kind and design. The majority of the teaspoons, sugar-tongs and other small accessories of the table are, however, of a very glaring and vulgar order. Silver-gilt birthday spoons are selling at P.T.125 a dozen, sugar-tongs at P.T.65 each and nickel-plated plates at P.T.30 each. Razors are sold at an average price of P.T.55 each, which cannot be called remarkably cheap.

German drugs are returning to the Egyptian market in large quantities, including the original Saccharine tablets, Messrs. Bayer's Aspirine, and Odol, manufactured by their original producers. Saccharine and Aspirine are being advertised in all the local papers; the latter is sold in bottles containing 24 five-grain tablets (standard English weight).

German dyes, e.g., synthetic indigo and other coal-tar dyes, are also returning to this market in large quantities, the quantity being more than double, and the value nearly treble, that of imports from the United Kingdom.

Among recent patents taken out will be observed (1) the name of J. A. Reidel, Aktiensgesellschaft Chemical Manufacturers of Britz, 1-38 Reidel-strasse, Berlin, viz., the word "IDRAG" printed, written or stamped, in any size, manner, shape or form; and any letters black, white or red,

used in respect of their chemical, medicinal, photographic and lithographic products; also the word "GENOSAN" as above in respect of their medicinal products; dated 12/1/21: (2) Badische Anilin & Soda Fabrik of Ludwigshafen; specification of invention having for title "Préparation stable à base d'indigo blanc"; dated 10/1/21.

German pianos, mouth-organs and other musical instruments are being freely advertised in Egypt, the prices for mouth-organs being very low indeed. The exporter of the latter is Albert Wordlich, of Stettin, who is sending in addition large quantities of cigar-holders, pipes, etc., to Egypt, also at very low prices, owing to the low rate of exchange.

It is unfortunate that, owing to German firms being able to accept such very low prices, they have succeeded in wresting fairly large contracts from United Kingdom exporters for railway material required by the Egyptian State Railways, and other kinds of material and plant required by other Government Departments; e.g., light railway permanent way for use in connection with oil workings by the Department of Mines on the Sinai Coast. Unless British steel firms are prepared to make a big sacrifice, in spite of prices at present ruling in Sheffield, and to guarantee within a specified period, in order to keep their hold on the market for Egyptian Government contracts, they must not be surprised to see all future orders secured by German, Austrian, or Belgian firms, particularly for railway material and rolling stock.

German ("Bosche") dynamos have been arriving in great numbers and were quickly sold owing to the low price demanded, and also to the fact that either United Kingdom exporters had apparently overlooked the Egyptian market for some months, or had not delivered them in sufficient quantities for its needs, as British dynamos appear to be very scarce at present.

Quantities of German fittings and spare parts are returning to this market; also hand-spanners, wrenches and other hand tools are being sold in most of the machinery shops. In this connection it is to be regretted that a British engineer spent five days recently trying to buy a Briggs T-head spanner, which he required for use at the Egyptian Government oil workings on the Sinai coast, and, having finally failed to buy a single one, was compelled, owing to the urgency of the work required, to purchase a German article.

The products of Krupps, the A.E.G., and Borsig Wolf & Co., are sold by the Technical Supply Co., of Alexandria, a company formed for that purpose.

German bicycles of the "Ankard," "Eros," and "Oppeln" makes were imported in fair numbers during 1920, but their sale is not very extensive. The two first-named arrive as a rule without tyres, and are sold by agents at £E.10 a piece with tyres, and £E.6 without. The "Oppeln," with half-gallon petrol tank and motor on frame with springs, is sold at £E.35.

New German electric motor cars of the "Adler" make are arriving in good numbers, also without tyres, and are being sold at £E.120, being of the very small type. Mercedes and Daimler cars are being sold at prices ranging from £E.1,500 to £E.3,000.

It is interesting to note that nearly all the tyres fitted to these German motor cars and bicycles on arrival here are of British manufacture, and in the case of the "Eros" bicycle, a British-made tyre 28-in. by 1½-in. is the only one extant in this market which will fit it.

Nearly all the films shown in Egypt have hitherto been American or French productions, but of late many German films have appeared and it must be admitted that they have proved of a very superior order. It is to be hoped that United Kingdom producers will make an effort to show their films in this country where they would be sure to be appreciated.

APPENDIX V.

IMPORTS FROM PRINCIPAL COUNTRIES OF WHEAT, WHEAT FLOUR AND COAL DURING 1919 AND 1920.

Imported from	1919.		1920.	
Wheat—	Kilogs.	£E.	Kilogs.	£E.
British India	96,519	1,792	61,253	1,537
Australia and N. Zealand	698,588	16,210	59,319,898	1,424,115
Other Countries *	4,337	72	38,977,731	988,856
Totals	799,444	18,074	98,358,882	2,414,508
Wheat Flour—				
United Kingdom	10,586	438	103,067	4,931
British India	118,006	4,926	5,001,405	121,611
Australia and N. Zealand	21,458,156	759,697	51,701,633	2,435,351
Canada	64,002	3,382	4,154,889	228,438
China	118,515	5,362	329,824	15,085
U.S.A.	85,337	4,549	38,256,707	2,003,845
Other Countries †	26,252	1,129	33,575,433	1,822,487
Totals	21,880,854	779,483	133,122,958	6,631,748
Coal—	Tons.	£E.	Tons.	£E.
United Kingdom	493,828	2,573,310	232,054	1,588,952
British India	893	6,236	50,487	855,367
British Possessions in Africa	61,605	363,415	101,610	832,342
Belgium	972	6,704	617	4,713
U.S.A.	8,088	50,575	469,308	4,446,236
Other Countries ‡	156	781	34,274	248,448
Total	565,542	3,001,021	888,350	7,476,058

* Including U.S.A.

† Including Argentine, Japan and Italy.

‡ Including Australia.

APPENDIX VI.

TOTAL RAW COTTON EXPORTS.

QUANTITY AND VALUE EXPORTED DURING THE YEARS 1919 AND 1920.

Period.	1919.		1920.	
	Cantars.	£E.	Cantars.	£E.
January 1—August 31 ...	3,224,558	26,149,425	2,853,807	62,193,021
September	961,150	8,249,907	84,383	1,719,992
October	609,870	5,586,064	248,428	3,670,943
November	894,204	10,536,433	379,459	4,698,426
December	1,019,124	14,920,072	435,390	2,813,644
Totals	6,708,906	65,441,901	4,001,467	75,096,026

PRINCIPAL COUNTRIES TO WHICH COTTON WAS EXPORTED IN 1919-1920.

		1919.		1920.	
		Cantars.	£E.	Cantars.	£E.
United Kingdom	...	3,742,724	35,284,139	1,744,410	31,064,882
Austria	...	457	5,396	18,885	302,944
Belgium	...	10,437	153,565	12,760	246,766
Czecho-Slovakia	...	9,575	108,311	14,267	238,155
France	...	592,472	5,287,221	407,660	7,849,137
Germany	...	19,676	241,180	76,681	1,261,754
Italy	...	326,604	3,198,832	167,702	3,045,870
Japan	...	195,887	1,793,823	56,488	1,073,832
Spain	...	85,129	803,696	74,066	1,249,791
Switzerland	...	186,781	1,759,120	140,151	2,205,530
U.S.A.	...	1,513,856	16,551,829	1,268,689	26,222,272
Other Countries	...	25,308	254,789	19,708	335,093
Total	...	6,708,906	65,441,901	4,001,467	75,096,026

APPENDIX VII.

SUMMARY OF VALUE OF EXPORTS, 1919-1920, CLASSIFIED BY CATEGORIES.

Category.	1919.	1920.	Increase (+) or Decrease (-) in 1920.
	£E.	£E.	£E.
I. Animals and animal food products.	320,485	328,457	+ 7,972
II. Hides, skins and leather goods...	1,301,946	743,194	- 558,752
III. Other animal products ...	64,311	52,788	- 11,523
IV. Cereals, flour and agricultural produce.	4,832,146	5,116,788	+ 284,642
V. Colonial produce and general grocery.	662,368	1,159,495	+ 497,127
VI. Spirits, beverages and oils ...	218,654	216,339	- 2,315
VII. Paper and printed matter ...	276,133	211,871	- 64,262
VIII. Wood and coal ...	71,702	56,574	- 15,128
IX. Stone, earthenware and glass-ware.	20,598	8,219	- 12,379
X. Dyesstuffs, tanstuffs and colours	90,579	51,741	- 38,838
XI. Chemical and medicinal products and perfumery.	692,132	679,177	- 12,955
XII. Yarns and textiles* ...	66,077,660	75,612,121	+ 9,534,461
XIII. Metals and metalware ...	167,092	169,069	+ 1,977
XIV. Miscellaneous ...	60,439	110,107	+ 49,668
Total of merchandise exported	74,856,245	84,515,940	+ 9,659,695
Total of cigarettes ...	1,032,076	951,121	- 80,955
Total of exports ...	75,888,321	85,467,061	+ 9,578,740

* Largely raw cotton.

APPENDIX VIII.

TOTAL VALUE OF EXPORTS TO PRINCIPAL COUNTRIES IN 1919 AND 1920.

	1919.	1920.	Increase (+) or Decrease (-) in 1920.
United Kingdom...	£E. 40,222,821	£E. 36,343,284	£E. -3,879,537
British Mediterranean Possessions	292,875	167,289	- 125,586
British India	587,015	747,707	+ 160,692
Australia and New Zealand	48,910	91,137	+ 42,227
Canada	1,854	2,661	+ 807
Other British Possessions in Far East...	34,667	94,773	+ 60,106
British Possessions in Africa	26,134	56,646	+ 30,512
British Empire Total	41,214,276	37,503,497	-3,710,779
Austria	5,396	303,009	+ 297,613
Belgium	207,019	324,260	+ 117,241
Czecho-Slovakia	108,321	238,852	+ 130,531
France	5,871,556	8,069,200	+2,197,644
Germany	243,561	1,294,373	+1,050,812
Greece	696,591	413,036	- 283,555
Holland	277,212	332,786	+ 55,574
Italy	3,499,514	3,303,414	- 196,100
Japan	1,864,292	1,236,763	- 627,529
Palestine	744,647	568,218	- 176,429
Spain	822,427	1,299,719	+ 477,292
Switzerland	1,811,096	2,246,838	+ 435,742
Syria	697,375	528,654	- 168,721
Turkey	330,635	358,600	+ 27,965
U.S.A.	16,714,085	26,469,171	+9,755,086
Other Countries	780,318	976,671	+ 196,353
Total Exports	75,888,321	85,467,061	+9,578,740

APPENDIX IX.

LIST OF PRINCIPAL ARTICLES OF EGYPTIAN MANUFACTURE OR ORIGIN ON
VIEW AT THE PERMANENT EXHIBITION OF EGYPTIAN ARTS AND CRAFTS
IN CAIRO.

1. Cotton and woollen fabrics of various descriptions, including cloth suitings, etc.
2. Silks of all descriptions and varieties, embroideries, etc.
3. Jewellery and real antiques, etc.
4. Inlaid brass, silver and copperware, white metal work, hospital equipment, sterilizing apparatus, geysers, etc., gramophone discs, nails, cooking utensils in brass and copper.
5. Woodwork, inlaid tables, mushrabiya work, wicker furniture, basket-ware.
6. Matting of all types and descriptions.
7. Canvas, netting, sacks, rope and string, samples of flax and sisal.
8. Brooms, brushes, etc.
9. Samples of leather and whole skins from the principal tanneries in Egypt, suit cases, attaché cases, gun cases, portmanteaux, trunks, etc.
10. Motor tyres, inner tubes, and hosepipes.

11. Types of clothing and uniforms manufactured by the Equipment and Clothing Company of Egypt.
 12. Carpets and Amria and other rugs.
 13. Pottery (domestic and ornamental), tiles, drain-pipes, etc., imitation antiques, etc.
 14. Alcoholic beverages, including rum, brandy, beer, and liqueurs.
 15. Sugar, confectionery, preserved fruits, jams, etc.
 16. Drugs and perfumes of various descriptions.
 17. Cigarettes.
 18. Dry paints, ink, artificial butter, etc.
 19. Model tank engine worked by electricity (made in Egyptian State Railway shops).
 20. Exhibit by the Prisons Department, including matting, cloth, brushes, hardware, machinery, etc.
 21. Salt, starch, cereals, gypsum, phosphates, "Epsom" salts, metallic ores, oils, fuel oil, sponges, etc.
 22. Sudanese industries and products, including matting, basket-ware, wrought iron, silver filigree work, ostrich feathers, cereals, dried dates, etc.
-

APPENDIX X.

IMPORTS OF BENZINE, KEROSENE AND MAZOUT (OIL FUEL) IN 1919 AND 1920.

		1919.		1920.	
		Metric Tons.	£E.	Metric Tons.	£E.
Benzine—					
Delivered from Suez Refinery	...	19,766	500,921	4,696	122,500
Imported direct from :					
U.S.A. 		1,435	35,542	356	16,328
Other Countries 		—	—	2	149
Total 		21,201	536,463	5,054	138,977
Kerosene—					
Delivered from Suez Refinery	...	9,662	135,266	38,487	565,987
Imported direct from :					
Persia 		6,827	95,575	6,364	95,420
U.S.A. 		105,910	1,480,056	15,631	282,634
Other Countries 		—	—	72,225	1,027,701
Total 		122,399	1,710,897	132,707	1,971,742
Mazout (Fuel Oil))					
Delivered from Suez Refinery	...	10,066	50,331	51,083	425,678
Imported direct from :					
Mexico 		6,039	30,197	35,044	348,223
Persia 		208	1,256	—	—
U.S.A. 		8,100	40,501	24,458	255,720
Other Countries in Far East 		156	781	1,990	23,874
Other Countries 		4,976	24,885	20,668	233,880
Total 		29,545	147,951	133,243	1,287,275